THOMABRAVO

2022 Thoma Bravo ESG Progress Report

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2022 ESG PROGRESS REPORT OVERVIEW

We are pleased to share our 2022 Thoma Bravo Environmental, Social & Governance (ESG) Progress Report. As one of the largest software investors in the world, we are building on a 40+ year history of providing capital and strategic support to experienced management teams. We are focused on assessing, adapting, and evolving as a firm. That evolution includes new ESG practices at the investment level and within our firm.

Anchored by our core tenets of partnership and innovation, we work with our portfolio companies to help strategize how the components of sustainable business practices can mitigate risks and positively impact value creation. Since our initial ESG policy launch in 2014, we have been reporting on our progress in specific ESG areas since 2017. We seek to be an example to our portfolio companies with strong governance and transparency practices within our firm.

DISCLOSURE: *This ESG Progress Report documents activities for calendar year 2022. Information and data included in this report are as of December 31, 2022, unless otherwise noted. Where applicable, we have included an update on activities for 2023. We collected data from all of Thoma Bravo's majority-owned, non-public portfolio companies. Some data points are not tracked by all portfolio companies. Accordingly, some portfolio companies did not provide a response for some data points.*

*The information provided herein is for informational purposes only and **is not an offer of Thoma Bravo's investment advisory services and does not include any endorsement or testimonial for which Thoma Bravo has provided compensation.** Any offer or solicitation regarding Thoma Bravo's investment advisory services will be made only pursuant to a fund's confidential private placement memorandum (as may be amended or supplemented, a "PPM") and such fund's agreement of limited partnership ("LPA") and subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.*

2022 ESG HIGHLIGHTS

12,285
mtCO2e*

reported in Thoma Bravo's inaugural greenhouse gas (GHG) emissions calculation

**Calculated by Watershed, includes Scope 1, 2, 3.6, 3.7, and does not include portfolio company emissions*

85%

of the Thoma Bravo Associate Class of 2022 identified as an underrepresented group*

**An underrepresented group is defined as either female and/or ethnically diverse (race or ethnicity other than Caucasian)*

51%

of Thoma Bravo portfolio companies report at least one female on their board of directors in 2022

13

percentage point increase from the previous year

Thoma Bravo was an Institutional Limited Partners Association (ILPA) Diversity in Action signatory and United Nations Principles for Responsible Investment (UNPRI) signatory

ESG AT THOMA BRAVO

At Thoma Bravo, we seek to drive value creation by focusing on collaborative partnerships that support the goal of producing operational excellence and innovation. We believe that our ESG metrics, consistent with other key performance indicators, can help us measure short-term results and foster long-term value creation. Below is the list of our ESG focus areas, starting with Governance.

CLICK TO NAVIGATE

GOVERNANCE
CYBERSECURITY & DATA PRIVACY

GOVERNANCE
ARTIFICIAL INTELLIGENCE

GOVERNANCE
RISK MANAGEMENT & RESILIENCY

SOCIAL
DIVERSITY & HUMAN CAPITAL

ENVIRONMENT
SUSTAINABILITY & STEWARDSHIP

CYBERSECURITY & DATA PRIVACY

WITHIN THOMA BRAVO

30 experts forming the independent Cyber Consortium

CyberConsortium
SPONSORED BY THOMA BRAVO

With a significant portfolio of cybersecurity-focused companies, we have a role in helping to predict and guard against ever-evolving threat actors. In 2023, Thoma Bravo sponsored a new independent industry group known as the Cyber Consortium. The Consortium brings together leading security experts from the private and public sectors, including former national defense professionals and experts from Fortune 500 companies.

These leaders strive to provide a forum and platform for industry leaders to share best practices, address common challenges, and develop effective strategies to combat cyber threats. The ultimate goal is to help organizations of every size and across all sectors to protect their assets better, safeguard their reputation, and ensure the privacy and security of their customers.

ACROSS PORTFOLIO COMPANIES

100% of portfolio companies report having:

- Cybersecurity standards adhere to at least one recognized entity (often multiple), including ISO 27001, ISO 27002, NIST, CSF
- Cybersecurity insurance
- Policies addressing collection of personal data, including companies subject to the European Union's General Data Protection Regulation (GDPR)

91%

of portfolio companies reported no breaches of personal or company data in 2022, and those breaches that did occur were considered immaterial by the reporting portfolio company

In an increasingly interconnected and technology-dependent world, adopting stringent cybersecurity practices is broadly considered crucial to safeguarding data and digital infrastructure. As part of our initial due diligence and throughout our ownership period, we track metrics on our portfolio companies' cybersecurity policy and adherence to standards.

ARTIFICIAL INTELLIGENCE (AI)

WITHIN THOMA BRAVO

75%

of Thoma Bravo companies participated in the launch of a responsible AI learning cohort

We recognize that using AI creates opportunities and risks for our portfolio companies. While using AI can lead to higher efficiency, lower costs, and better products, emerging technology also generates risks that are rapidly evolving and possibly opaque. Some of these risks include, but are not limited to, the environmental impact associated with the energy consumption of AI, the social impacts related to the accuracy of AI products and information integrity, and the governance impacts of intellectual property rights, cybersecurity, and data privacy. Thoma Bravo launched a responsible AI learning cohort in 2023 to help its portfolio companies address this rapidly evolving landscape, provide education, and share best practices. Through this cohort, we collaborate with our portfolio companies to encourage innovation in the use of AI while also seeking to build guardrails to protect against potential risks.

ACROSS PORTFOLIO COMPANIES

60%

of portfolio companies are using or considering the use of generative AI

Several of Thoma Bravo's portfolio companies have leveraged AI for years. As visibility around the use of AI has grown, specifically generative AI, we believe there is an opportunity to share our expertise in technology, software, and innovation to decipher threats and uncover opportunities.

AI at our portfolio companies has been able to drive greater productivity and cost efficiencies in various corporate functions and also presents the potential for unlocking new revenue opportunities. We believe that the margins at our portfolio companies can increase by implementing AI.

RISK MANAGEMENT & RESILIENCY

WITHIN THOMA BRAVO

100%

of incoming Associates at Thoma Bravo receive ESG Training

Governance has been vital in our role in supporting portfolio company management teams and their adoption of principled business practices. At Thoma Bravo, we believe good governance can support long-term value creation, from direct financial impacts to more indirect potential impacts on the planet and communities. Our approach to due diligence includes training our investment staff on our ESG policy, which helps our investment teams evaluate ESG issues and opportunities. We also work with external advisors to conduct reviews of ESG risks and opportunities and provide Thoma Bravo investment professionals who sit on portfolio company boards with a summary and recommendations on those risks and opportunities. We seek to go beyond just identifying potential issues at our portfolio companies. We also stay engaged and act as an advisor, particularly as members of a portfolio company's board of directors, to help appropriately prioritize ESG.

ACROSS PORTFOLIO COMPANIES

100%

of portfolio companies report having a code of ethics or equivalent policy

Many of the governance issues most relevant to our portfolio companies overlap with traditional business operations, including customer data collection, breach and downtime protocols, business continuity, ethics, and codes of conduct. By collecting data from our portfolio companies as part of our ESG program, we can benchmark ESG activities and see patterns and trends. By gaining a deeper understanding of those ESG items relevant to our investments, we can facilitate interactions that elevate performance standards for our portfolio companies to promote the goal of generating value for our investors and stakeholders.

DIVERSITY & HUMAN CAPITAL

WITHIN THOMA BRAVO

85%

of the Thoma Bravo Associate Class of 2022 identified as an underrepresented group*

**An underrepresented group is defined as either female and/or ethnically diverse (race or ethnicity other than Caucasian)*

Thoma Bravo was an Institutional Limited Partners Association (ILPA) Diversity in Action signatory and United Nations Principles for Responsible Investment (UNPRI) signatory

At Thoma Bravo, we seek to champion the inclusion of underrepresented groups through a culture of mentoring our associates in their careers. Another important Thoma Bravo initiative is expanding access to private equity careers to traditionally underrepresented groups. We are intentional about our own staff and talent pipelines and 85% of our Associate Class of 2022 identified as an underrepresented group. In addition, we have partnered with organizations like Sponsors for Educational Opportunity (SEO) to increase opportunities for young professionals from underrepresented groups to learn, mentor, and get hired in the finance and software industries. In 2022, we placed 32 SEO summer interns at either Thoma Bravo or at one of our portfolio companies.

Thoma Bravo's executive suite includes female leaders serving as Chief Financial Officer, Chief Operating Officer, Chief Accounting Officer, and Chief Information Officer.

ACROSS PORTFOLIO COMPANIES

100% **of portfolio companies report having:**

- **Non-discrimination/harassment policies or equivalent policy**
- **Family leave options: maternal, paternal, caregiver**
- **Wellness programs, including counseling and professional development**

51%

of portfolio companies report at least one female on their board of directors in 2022, a 13 percentage point increase from the previous year

40%

of portfolio companies reported at least one board member from an underrepresented group in 2022, a 12 percentage point increase from the previous year

Authentically addressing systemic diversity and inclusion issues is complex and takes time. The diversity portion of our annual ESG survey is extensive, as data is instrumental in helping to identify issues to inform decision-making. Creating a cadence for reporting, benchmarking, and best practices is important for learning among our portfolio companies.

SUSTAINABILITY & STEWARDSHIP

WITHIN THOMA BRAVO

12,285 mtCO2e*

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Environmental stewardship has a clear social impact, and it seeks to safeguard our planet for future generations. However, we believe articulating the business case for environmental measures is equally essential to ensure sustainable financial returns by mitigating climate-associated risks. Sharing our progress on environmental issues is important, especially if we ask others to emulate our actions. We completed our inaugural GHG emissions capture to establish a baseline year for our CO2 emissions and acknowledge that our changing world and work environment will continue challenging how we seek to identify, capture, and reduce our carbon footprint.

ACROSS PORTFOLIO COMPANIES

100%

of portfolio companies do not have sites or operations located in or near to biodiversity sensitive areas

64%

of portfolio companies have environmental initiatives aiming to reduce carbon footprint

All companies currently tracking GHG added Scope 3, leading to an 11x increase in this category

We support our portfolio companies in embracing environmental stewardship because it fosters long-term sustainability, minimizes ecological impacts, reduces operational risks, and enhances brand reputation. As an enterprise software investor, we prioritize pertinent concerns within the sector for our portfolio companies by evaluating aspects such as renewable energy consumption and the emissions stemming from data center usage.

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